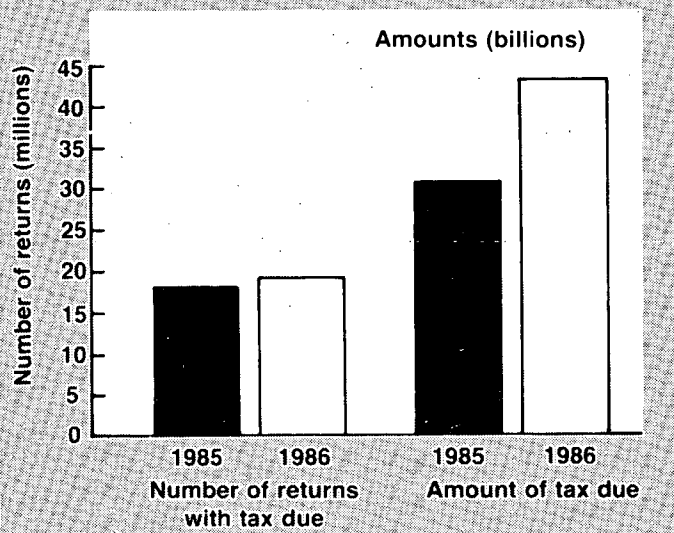


# Individual Income Tax Returns for 1986: Selected Characteristics from the Taxpayer Usage Study

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Estimates from the 1986 Taxpayer Usage Study (TPUS), which tabulated returns filed through April 1987, show that the balance of tax due at time of filing on 1986 individual income tax returns increased by 40 percent over the comparable amount reported for Tax Year 1985. For Tax Year 1986, 19.3 million taxpayers reported a balance due totaling \$43.4 billion, up from the 18.2 million taxpayers who reported a balance due of \$31.0 billion for 1985 (see Figure A).

**Figure A.**  
**Returns With Tax Due at Time of Filing, Tax Years 1985 and 1986**



The increase in balance due which occurred in spite of a \$19.1 billion increase in income tax withheld, was related to a \$195 billion increase in adjusted gross income (AGI) from 1985 to 1986. An analysis of tax due at time of filing, total tax, and AGI by AGI class clearly indicates that the most substantial increases occurred in the groups with AGI of at least \$50,000 (see Figure B) [1]. These increases in reported income may have been caused, in part, by the elimination of the 60 percent exclusion of long-term capital gains

for Tax Year 1987. The elimination of this exclusion, by the Tax Reform Act passed in 1986, made it beneficial for many taxpayers to realize capital gains for Tax Year 1986 that they might otherwise have postponed to later years. In support of this reasoning, early Tax Year 1986 data from the Internal Revenue Service's Master File of all individual returns indicate a substantial increase in net capital gains, particularly at the upper income levels.

This article presents an analysis of individual income tax returns received by the Internal Revenue Service (IRS) from January through April 1987 based on the IRS Taxpayer Usage Study. TPUS is a special annual statistical study based on a sample of individual income tax returns as they are received during the normal filing season [2].

## FILING PATTERNS

For 1986, the trend in the patterns of the timing of the filing of individual tax returns evident in past years continued—taxpayers continued to file their returns later. Once again, tax returns arrived at the 10 IRS service centers at a slower pace than for the previous tax year. It was not until the week ending April 24, 1987, that the cumulative total of Tax Year 1986 returns received at the service centers equaled the previous year's volume, even though the projected number of 1986 returns indicates an increase of more than 3 million [3].

## CHARACTERISTICS OF RETURNS

As shown in Figure C, a growing percentage of taxpayers has used the long form, Form 1040. For Tax Year 1986, Forms 1040 accounted for 64.7 percent of all returns (compared to 63.7 percent the previous year). The percentage of taxpayers filing short forms (Form 1040A or Form 1040EZ) again decreased. Although joint returns are still the most common filing status, the percentage of joint returns again decreased for 1986, falling from 47.0 percent of returns filed for 1985 to 46.3 percent for 1986. At the same time, the percent of returns filed by single persons increased from 42.1 percent to 42.8 percent of all returns. The average number of exemptions claimed per return was 2.4 for 1986, compared to 2.2 for 1985.

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**Figure B.—Number of Returns With Tax Due, Total Tax and Adjusted Gross Income, by Size of Adjusted Gross Income, Tax Years 1985–1986.**

[Number of returns in thousands, amounts in millions of dollars]

	Returns with tax due					
	Tax Year 1985		Tax Year 1986		Percentage change	
	Number of returns	Tax due	Number of returns	Tax due	Number of returns	Tax due
All returns, total.....	18,211	30,996	19,364	43,381	6.3	40.0%
Under \$5,000 <sup>1</sup> .....	1,814	416	1,633	407	-10.0	-2.2
\$5,000 under \$10,000.....	2,495	859	2,460	776	-1.4	-9.7
\$10,000 under \$15,000.....	2,243	1,023	2,151	1,057	-4.1	3.3
\$15,000 under \$20,000.....	2,009	1,318	1,956	1,372	-2.6	4.1
\$20,000 under \$30,000.....	2,849	2,335	3,155	2,861	10.7	22.5
\$30,000 under \$50,000.....	3,946	5,211	4,300	6,360	9.0	22.0
\$50,000 under \$100,000.....	2,266	6,753	2,862	10,107	26.3	49.7
\$100,000 or more.....	589	13,081	850	20,441	44.3	56.3

	Returns with total tax					
	Tax Year 1985		Tax Year 1986		Percentage change	
	Number of returns	Tax due	Number of returns	Tax due	Number of returns	Tax due
All returns, total.....	77,654	282,235	79,154	325,415	1.9	15.3%
Under \$5,000 <sup>1</sup> .....	4,888	1,412	4,286	1,301	12.3	7.9
\$5,000 under \$10,000.....	12,396	5,552	12,062	5,253	2.7	-5.4
\$10,000 under \$15,000.....	12,315	11,952	12,030	11,471	2.3	-4.0
\$15,000 under \$20,000.....	10,336	17,234	9,898	16,336	4.2	-5.2
\$20,000 under \$30,000.....	14,923	41,465	15,317	42,197	2.6	1.8
\$30,000 under \$50,000.....	15,967	83,429	17,030	88,219	6.7	5.7
\$50,000 under \$100,000.....	5,841	67,351	7,250	82,166	24.1	22.0
\$100,000 or more.....	988	53,902	1,281	78,472	29.7	45.6

	Returns with adjusted gross income					
	Tax Year 1985		Tax Year 1986		Percentage change	
	Number of returns	Tax due	Number of returns	Tax due	Number of returns	Tax due
All returns, total.....	95,307	2,105,392	96,737	2,300,896	1.5	9.3%
Under \$5,000 <sup>1</sup> .....	16,017	26,477	15,562	22,383	2.8	3.1
\$5,000 under \$10,000.....	15,346	115,054	15,007	111,567	-2.2	-3.0
\$10,000 under \$15,000.....	13,212	163,575	12,909	60,658	-2.3	-1.8
\$15,000 under \$20,000.....	10,890	189,929	10,384	181,148	-4.6	-4.6
\$20,000 under \$30,000.....	15,677	387,979	16,035	395,927	2.3	2.0
\$30,000 under \$50,000.....	16,892	647,010	17,917	691,056	6.1	6.8
\$50,000 under \$100,000.....	6,276	397,192	7,625	484,730	21.5	22.0
\$100,000 or more.....	997	178,176	1,299	253,426	30.3	42.2

<sup>1</sup> Includes returns with no adjusted gross income.

NOTE: All data are based on returns filed through April.

**Figure C.—Number of Returns Filed, by Form Used, Tax Years 1982–1986**

[Number of returns in thousands]

Form Used	Tax Year				
	1982	1983	1984	1985	1986
	(1)	(2)	(3)	(4)	(5)
All returns.....	89,964	90,407	92,611	95,307	96,737
Long form, 1040.....	54,687	55,853	57,862	60,677	62,619
Short forms, total.....	35,277	34,556	34,749	34,629	34,118
1040A.....	20,492	19,094	18,422	17,926	17,495
1040EZ.....	14,785	15,462	16,327	16,703	16,623
	Percentage of returns				
All returns.....	100.0%	100.0%	100.0%	100.0%	100.0%
Long form, 1040.....	60.8	61.8	62.5	63.7	64.7
Short forms, total.....	39.2	38.2	37.5	36.3	35.3
1040A.....	22.8	21.1	19.9	18.8	18.1
1040EZ.....	16.4	17.1	17.6	17.5	17.2

NOTE: All data are based on returns filed through April.

**TWO-EARNER COUPLES**

Consistent with the long-term trend, the number of two-earner married couples increased for Tax Year 1986. This change was evidenced by an increase in the number of

returns with at least one Form W-2 (Wage and Tax Statement) attached for each taxpayer. As shown in Figure D, the number of returns claiming the two-earner marital deduction also increased, from 23.2 million for Tax Year 1985 to 24.2 million for Tax Year 1986.

**Figure D.—Form 1040 and Form 1040A Returns: Number With Selected Statutory Adjustments, Tax Years 1982–1986**

[Number of returns in thousands]

Selected statutory adjustments	Tax Year				
	1982	1983	1984	1985	1986
	(1)	(2)	(3)	(4)	(5)
Form 1040 and Form 1040A returns, total	75,179	74,946	76,284	78,603	80,114
Form 1040	54,687	55,853	57,862	60,677	62,619
Form 1040A	20,492	19,094	18,422	17,926	17,495
Individual retirement arrangement (IRA) deduction, total	11,351	12,803	15,353	15,357	14,898
Form 1040	11,351	11,876	14,046	14,301	13,937
Form 1040A	N/A	927	1,309	1,055	961
Marital deduction, total	20,296	20,994	22,679	23,162	24,229
Form 1040	17,104	17,647	19,320	19,903	21,092
Form 1040A	3,193	3,347	3,359	3,259	3,137

N/A — Not applicable.

NOTE: All data are based on returns filed through April.

## INDIVIDUAL RETIREMENT ARRANGEMENTS

Of the 96.7 million returns filed through April 1987, 14.9 million showed a deduction for payments to an Individual Retirement Arrangement (IRA)—down from 15.4 million for the previous year. This was the first decline in the number of IRA deductions claimed since 1982 (see Figure D). This declining interest in IRA's may have been caused by provisions of the Tax Reform Act of 1986 that placed limitations on future IRA contributions.

## SOCIAL SECURITY BENEFITS

The number of returns showing "taxable" social security benefits among the sources of income increased to 3.1 million for Tax Year 1986, up from 2.8 million for the previous year, while those reporting "gross" social security benefits remained at 8.1 million returns [4]. This growth in taxable benefits may be related to the fact that the base amounts of taxpayer AGI which trigger the taxation of social security benefits are not indexed to inflation as are the tax rate schedules. Thus, as income increases, more taxpayers are likely to have taxable social security benefits.

## INCOME TAX

The indexing of tax rates to the U.S. Department of Labor's consumer price index (CPI), introduced by the Economic Recovery Tax Act of 1981, came into effect for Tax Year 1985. Historically, many taxpayers had been pushed into higher tax brackets by inflation, even though their real incomes did not increase.

As required, the 1986 tax rate schedules and the personal exemption amount were adjusted to keep pace with cost-of-living increases, thus avoiding "bracket creep." The change in the tax rates reflected a 3.6 percent rise in the CPI [5]. Thus, increases in the percentage of taxpayers with total tax and in the amount of total tax reflect real changes in income.

## ITEMIZED DEDUCTIONS AND CHARITABLE CONTRIBUTIONS

Prior to Tax Year 1985, the percentage of returns showing itemized deductions had increased every year since 1979 (see Figure E). However, for 1985, the percentage of taxpayers claiming itemized deductions fell almost 3 percentage points.

**Figure E.—Percentage of Returns With Itemized Deductions, Tax Years 1979–1986**

Tax Year	All returns	Form 1040 returns
1979	28.9%	49.6%
1980	30.6	51.7
1981	31.1	52.7
1982	34.9	57.4
1983	36.0	58.3
1984	40.7	65.1
1985	37.8	59.4
1986	38.4	59.3

NOTE: All data are based on returns filed through April.

Data for Tax Year 1986, however, show a slight increase in the percentage of taxpayers claiming itemized deductions, from 37.8 percent of all returns for 1985 to 38.4 percent of all returns for 1986. The 1986 level was higher than all but the 1984 level. As is true of other changes noted in this article, the increase in the number of itemizers may relate to taxpayers' anticipation of the tax law changes for Tax Year 1987. For example, since sales taxes will not be an allowable deduction after 1986, taxpayers may have purchased items such as automobiles or other expensive items in Tax Year 1986 while the sales taxes were still deductible rather than in Tax Year 1987 when they might otherwise have made such a purchase. Additionally, the large increases in income related to increased sales of capital assets pushed many taxpayers into higher tax brackets, making it even more desirable for them to increase their deductible itemized expenses.

## OFFICIAL LABEL, PAID TAX-RETURN PREPARER, AND ENVELOPE USE

For Tax Year 1986, 54.4 percent of all taxpayers used the official IRS-provided name-and-address label, down from 55.1 percent for 1985 (see Figure F). (Of the 52.7 million labels used, 93 percent were unaltered by the taxpayer.) The percentage of taxpayers who used the official IRS-provided envelope, however, declined sharply from the 1985 level of nearly 62 percent to 56.4 percent for 1986. In the past 2 years, usage of the bar-coded envelope has declined 14.1 percentage points from the 1984 level of 70.5 percent.

**Figure F. All Returns: Number With Selected Characteristics, 1984-1986**

[Number of returns in thousands]

Item	Tax Year		
	1984	1985	1986
	(1)	(2)	(3)
All returns, total	92,611	95,307	96,737
Form 1040	57,862	60,677	62,619
Form 1040A	18,422	17,926	17,495
Form 1040EZ	16,327	16,703	16,623
Returns with paid-preparer signature, total	41,460	43,030	44,082
Form 1040	36,585	37,878	39,687
Form 1040A	4,114	4,409	3,794
Form 1040EZ	760	744	601
Returns with official IRS label, total	55,280	52,494	52,651
Form 1040	35,444	34,652	35,140
Form 1040A	10,363	9,240	8,891
Form 1040EZ	9,473	8,602	8,619
Returns with bar-coded envelope, total	65,272	58,806	54,521
Form 1040	38,546	34,578	31,403
Form 1040A	14,619	12,559	11,844
Form 1040EZ	12,106	11,670	11,275

NOTE: All data are based on returns filed through April.

The use of paid tax-return preparers increased slightly to 45.6 percent of all returns from 45.1 percent for 1985. There may be some correlation between the use of paid preparers and the use of the official label. Only 47.7 percent of all returns prepared by a paid preparer had labels attached, while 60.1 percent of all taxpayer-prepared returns had a label attached. This may mean that taxpayers failed to pass their labels on to the preparers. On the other hand, it may be the result of preparers using their own computer-generated forms which print the taxpayer's name, address and other information required in the identification block directly on the tax return (thus making the use of the label redundant) [6].

The failure of many taxpayers to use their official labels increases processing costs for the IRS, and also increases the time required by the IRS to process a return which, in turn, slows down the tax refund due to many filers. When the official label is used, the transcription operator need not

enter the taxpayer's name or address, provided no changes were made to the label, since the information is already on file.

Use of the official envelope similarly speeds the sorting of returns en route to and after receipt by the IRS service centers. The bar codes on the envelopes, representing ZIP Codes and IRS information, allow the Postal Service and the IRS to machine-sort the envelopes (which is faster and less costly than manual mail-sorting procedures).

At the IRS service centers, the bar-coded envelopes are further sorted by a computerized mail-processing system that not only reads the bar codes on the envelopes, but detects coding on endorsed checks, among other features. This allows for quick identification and separation of remittance and refund returns which go through different processing procedures.

## CHANGES IN IRS PROCEDURES

For Tax Year 1986, the IRS expanded its pilot program in electronic filing of tax returns (beginning in Tax Year 1985). Refund returns from seven selected IRS districts prepared by participating commercial tax-return preparers were transmitted electronically via telephone lines for processing by the IRS. In total, 78,000 such returns were accepted by the IRS. Electronically-filed returns were limited to timely filed Forms 1040 with only certain schedules attached.

Another pilot program begun with Tax Year 1985 and continued for Tax Year 1986 involved reducing the number of tax packages mailed to taxpayers. Selected taxpayers who had used a paid preparer in the past were sent postcards asking whether they needed a tax return package to prepare their Tax Year 1986 returns. Each postcard had an official IRS label attached, which was to be affixed to the completed return. The data indicate that 3.5 million returns had this special postcard label attached. Of these returns, 3.4 million were prepared by a paid preparer.

## DATA SOURCES AND LIMITATIONS

Data for the Taxpayer Usage Study (TPUS) were derived from a continual daily random sampling of returns as they were received in the 10 IRS service center mailrooms from January 2 to May 1, 1987. Sampling was conducted for each service center at designated rates ranging from 1-in-3,900 to 1-in-5,400, which yielded a sample of 18,694 returns.

The theoretical sampling rates were not used in weighting the file. Rather, a separate weight was computed for each type of return for each service center by dividing the TPUS sample into each receipt count. The result was weights ranging from a low of 3,725.64 to a high of 7,520.46. In addition to the sample drawn from mailroom receipts, a separate sample was drawn for the electronically transmit-

ted returns. These returns were sampled at a rate of 1-in-400, which yielded a sample of 183 returns. The service center population and sample counts are presented by type of return form in Figure G.

Since the data presented in this article are estimates based on a sample, they are subject to sampling, as well as nonsampling, error. Nonsampling error may be higher for TPUS than for other data published in the SOI Bulletin since the sampled returns had not yet been subjected to any of the IRS processing steps which would have corrected many taxpayer errors.

Figure H provides a comparison of 1985 Taxpayer Usage Study data and 1985 Statistics of Income (SOI) data as a means of evaluating the representativeness of returns filed

through April as a percentage of returns filed through December. As with prior years, the TPUS data for 1986 are intended to provide early indications of trends in SOI data that become available later on in 1987.

To properly use the statistical data provided, the magnitude of the sampling error must be known. Coefficients of variation, computed from the sample, are used to measure the magnitude of the sampling error. Figure I presents approximate coefficients of variation for frequency estimates. The approximate coefficients of variation shown are intended only as a general indication of data reliability. For numbers of returns other than those shown, the corresponding coefficients of variation can be estimated by interpolation.

**Figure G.—Population and Sample Counts by Service Center and Form Type, Tax Year 1986**

[Population in thousands]

Service Center	Total		Form 1040		Form 1040A		Form 1040EZ	
	Population	Sample	Population	Sample	Population	Sample	Population	Sample
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
United States, total	96,734	18,877	62,604	12,582	17,507	3,281	16,623	3,014
Andover	10,102	1,940	6,698	1,323	1,442	268	1,963	349
Atlanta	10,823	2,074	6,440	1,264	2,431	445	1,952	365
Austin	10,185	1,686	6,049	986	2,343	398	1,792	302
Brookhaven	7,866	1,769	5,302	1,192	1,499	332	1,065	245
Cincinnati*	10,143	1,839	6,681	1,189	1,641	320	1,821	330
Fresno	9,670	2,186	6,470	1,551	1,701	345	1,499	290
Kansas City	9,943	2,453	6,762	1,815	1,535	320	1,647	318
Memphis	9,819	1,426	5,876	886	2,139	300	1,805	240
Ogden	10,203	1,921	7,108	1,350	1,393	269	1,702	302
Philadelphia	7,900	1,400	5,140	843	1,383	284	1,377	273

\* Cincinnati return and sample figures include electronically filed returns.

**Figure H.—Comparison of Taxpayer Usage Study (TPUS) Data and Statistics of Income (SOI) Data, Tax Year 1985**

[Number of returns in thousands; amounts in millions of dollars]

Items	1985 TPUS	1985 SOI	Difference	Percentage difference
	(1)	(2)	(3)	(4)
All returns	95,307	101,660	6,353	6.3%
Adjusted gross income	2,105,392	2,305,952	200,560	8.7
Marital deduction:				
Number of returns	23,162	24,835	1,673	6.7
Amount	22,506	24,615	2,109	8.6
Excess itemized deductions:				
Number of returns	36,038	39,271	3,233	8.2
Amount	227,311	278,803	51,492	18.5
Total tax:				
Number of returns	77,654	86,478	8,824	10.2
Amount	282,235	339,354	57,119	16.8

NOTE: All data are based on returns filed through April.

**Figure I.—Approximate Coefficients of Variation, Tax Year 1986**

Estimated number of returns	Form 1040	Form 1040A	Form 1040EZ
	(1)	(2)	(3)
50,000,000 .....	.015%	(*)	(*)
20,000,000 .....	.018	(*)	(*)
15,000,000 .....	.021	.020%	.020%
10,000,000 .....	.026	.024	.025
5,000,000 .....	.036	.034	.035
1,000,000 .....	.081	.075	.078
500,000 .....	.115	.107	.116
100,000 .....	.257	.239	.246
75,000 .....	.297	.276	.284

(\*) Not applicable because the estimated number of returns was greater than the population estimate.

**NOTES AND REFERENCES**

[1] "Total tax" represents income tax after credits added to other taxes such as self-employment tax, alternative minimum tax, and advance earned income credit payments which are only important in the bottom income classes.

[2] The 1986 statistics are based in all cases on filings through the end of April 1987. Data for earlier years used throughout this article for comparison purposes are also based on returns filed through April of the year following the tax year unless otherwise noted.

[3] U.S. Department of the Treasury, Internal Revenue Service, *Projections: Number of Returns to Be Filed*, November 1986, p. 1.

[4] Social security benefits were taxable when modified adjusted gross income exceeded \$25,000 for single taxpayers and \$32,000 for married taxpayers.

[5] U.S. Department of Labor, Bureau of Labor Statistics, *CPI Detailed Report*, December 1986.

[6] For Tax Year 1986, 8.1 percent of all returns filed were generated by computer (a 1.7 percentage point increase from 1985).

**Table 1.—All Returns: Number by Marital Status, by Type of Return and Size of Adjusted Gross Income**

[All figures are estimates based on samples—numbers of returns are in thousands]

Type of return, marital status	Total	Number of returns by size of adjusted gross income							
		Under \$5,000 <sup>1</sup>	\$5,000 under \$10,000	\$10,000 under \$15,000	\$15,000 under \$20,000	\$20,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$100,000	\$100,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
All returns, total	96,737	15,562	15,007	12,909	10,384	16,035	17,917	7,625	1,299
Returns of single persons	41,421	11,959	9,283	6,801	4,642	5,215	2,729	673	119
Joint returns of husbands and wives	44,742	1,945	3,270	4,080	4,129	9,138	14,231	6,804	1,145
Separate returns of husbands and wives	828	178	171	132	112	97	107	*25	*4
Returns of heads of households	9,608	1,473	2,253	1,870	1,478	1,560	826	124	25
Returns of surviving spouses	138	*7	*30	*26	*22	*26	*23	—	*5
Form 1040 returns, total	62,619	5,336	6,739	6,154	6,286	12,445	16,766	7,594	1,299
Returns of single persons	19,106	3,553	3,624	2,649	2,389	3,610	2,489	673	119
Joint returns of husbands and wives	38,219	1,352	2,332	2,695	3,011	7,534	13,376	6,773	1,145
Separate returns of husbands and wives	562	113	95	*61	*75	86	103	*25	*4
Returns of heads of households	4,594	311	659	723	788	1,190	775	124	*25
Returns of surviving spouses	138	*7	*30	*26	*22	*26	*23	—	*5
Form 1040A returns, total	17,495	3,511	3,976	3,696	2,554	2,681	1,046	*31	N/A
Returns of single persons	5,692	1,691	1,368	1,093	710	695	135	—	N/A
Joint returns of husbands and wives	6,523	593	938	1,385	1,118	1,604	855	*31	N/A
Separate returns of husbands and wives	266	*64	76	*71	*37	*12	*5	—	N/A
Returns of heads of households	5,014	1,162	1,595	1,147	690	370	*51	—	N/A
Form 1040EZ returns, total <sup>2</sup>	16,623	6,716	4,292	3,058	1,544	909	105	N/A	N/A

N/A — Not applicable.

\*Estimate should be used with caution because of the small number of sample returns on which it is based.

<sup>1</sup> Includes returns with no adjusted gross income.<sup>2</sup> Form 1040EZ returns could be filed by single persons only.

NOTE: Detail may not add to total because of rounding.

**Table 2.—Returns With Total Income Tax: Type of Return, Adjusted Gross Income and Total Income Tax, by Size of Adjusted Gross Income**

[All figures are estimates based on samples—numbers of returns are in thousands, amounts are in millions of dollars]

Type of return, total tax <sup>1</sup>	Total	Number of returns by size of adjusted gross income							
		Under \$5,000 <sup>2</sup>	\$5,000 under \$10,000	\$10,000 under \$15,000	\$15,000 under \$20,000	\$20,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$100,000	\$100,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
All returns, total	74,959	3,478	10,319	11,632	9,563	14,863	16,673	7,170	1,261
Amount of adjusted gross income	2,117,669	12,385	78,219	144,987	167,019	366,952	642,913	456,777	248,419
Amount of total income tax	308,535	919	4,279	10,532	15,019	39,047	83,644	78,489	76,605
Tax as percent of adjusted gross income	14.2	7.4	5.5	7.3	9.0	10.6	13.0	17.2	30.8
Form 1040 returns, total	51,585	1,358	4,124	5,229	5,568	11,327	15,574	7,143	1,261
Amount of adjusted gross income	1,789,740	4,199	31,708	65,442	97,819	282,314	604,456	455,385	248,419
Amount of total income tax	275,360	495	1,542	4,122	8,042	28,554	77,776	78,226	76,605
Tax as percent of adjusted gross income	15.4	11.8	4.9	6.3	8.2	10.1	12.9	17.2	30.8
Form 1040A returns, total	11,869	469	1,928	3,368	2,457	2,626	995	*27	N/A
Amount of adjusted gross income	200,981	1,751	14,862	42,129	42,785	63,207	34,855	1,393	N/A
Amount of total income tax	19,861	164	692	2,691	3,739	7,164	5,147	263	N/A
Tax as percent of adjusted gross income	9.9	9.4	4.7	6.4	8.7	11.3	14.8	18.9	N/A
Form 1040EZ returns, total	11,505	1,651	4,266	3,035	1,538	909	105	N/A	N/A
Amount of adjusted gross income	126,947	6,435	31,649	37,416	26,415	21,431	3,601	N/A	N/A
Amount of total income tax	13,315	260	2,045	3,720	3,239	3,330	721	N/A	N/A
Tax as percent of adjusted gross income	10.5	4.1	6.5	9.9	12.3	15.5	20.0	N/A	N/A

N/A — Not applicable.

\*Estimate should be used with caution because of the small number of sample returns on which it is based.

<sup>1</sup> Total income tax is computed as the sum of income tax after credits and alternative minimum tax, less earned income credit.<sup>2</sup> Includes returns with no adjusted gross income.

NOTE: Detail may not add to total because of rounding.

## Individual Income Tax Returns, 1986 Taxpayer Usage Study

**Table 3.—All Returns: Number With and Without Total Income Tax, by Type of Return and Size of Adjusted Gross Income**  
 [All figures are estimates based on samples—numbers of returns are in thousands]

Type of return, total tax <sup>1</sup>	Total	Number of returns by size of adjusted gross income							
		Under \$5,000 <sup>2</sup>	\$5,000 under \$10,000	\$10,000 under \$15,000	\$15,000 under \$20,000	\$20,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$100,000	\$100,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
All returns, total .....	96,737	15,562	15,007	12,909	10,384	16,035	17,917	7,625	1,299
Number with total income tax .....	74,959	3,478	10,319	11,632	9,563	14,863	16,673	7,170	1,261
Number with no total income tax .....	21,778	12,084	4,688	1,276	820	1,172	1,243	455	*38
Form 1040 returns, total .....	62,619	5,336	6,739	6,154	6,286	12,445	16,766	7,594	1,299
Number with total income tax .....	51,585	1,358	4,124	5,229	5,568	11,327	15,574	7,143	1,261
Number with no total income tax .....	11,034	3,978	2,614	925	717	1,118	1,193	451	*38
Form 1040A returns, total .....	17,495	3,511	3,976	3,696	2,554	2,681	1,046	*31	N/A
Number with total income tax .....	11,869	469	1,928	3,368	2,457	2,626	995	*27	N/A
Number with no total income tax .....	5,626	3,042	2,048	328	98	*54	*50	*5	N/A
Form 1040EZ returns, total .....	16,623	6,716	4,292	3,058	1,544	909	105	N/A	N/A
Number with total income tax .....	11,505	1,651	4,266	3,035	1,538	909	105	N/A	N/A
Number with no total income tax .....	5,117	5,064	*25	*23	*5	—	—	N/A	N/A

N/A — Not applicable

\* Estimate should be used with caution because of the small number of sample returns on which it is based.

<sup>1</sup> Total income tax is computed as the sum of income tax after credits and alternative minimum tax, less earned income credit.

<sup>2</sup> Includes returns with no adjusted gross income.

NOTE: Detail may not add to total because of rounding.



**Table 4.—All Returns: Adjusted Gross Income, Selected Sources of Income, and Statutory Adjustments, by Size of Adjusted Gross Income**

[All figures are estimates based on samples—numbers of returns are in thousands, amounts are in millions of dollars]

Size of adjusted gross income	Adjusted gross income		Salaries and wages		Dividends			
	Number of returns	Amount	Number of returns	Amount	Before exclusion		After exclusion	
					Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
All returns, total	96,737	2,300,896	83,248	1,895,909	18,863	49,420		
No adjusted gross income	1,167	- 15,502	628	6,877	168	324		
\$1 under \$5,000	14,395	37,885	12,838	31,531	1,145	912		
\$5,000 under \$10,000	15,007	111,567	11,871	86,108	1,651	1,861		
\$10,000 under \$15,000	12,909	160,658	10,825	128,639	1,364	2,408		Data not Available
\$15,000 under \$20,000	10,384	181,148	8,892	146,629	1,525	2,368		
\$20,000 under \$25,000	8,749	195,901	7,794	166,473	1,562	3,030		
\$25,000 under \$30,000	7,286	200,026	6,737	176,716	1,414	1,826		
\$30,000 under \$50,000	17,917	691,056	16,762	620,752	5,203	7,990		
\$50,000 under \$75,000	6,245	366,787	5,743	314,392	2,917	7,189		
\$75,000 under \$100,000	1,380	117,944	1,169	84,637	930	5,224		
\$100,000 or more	1,299	253,426	988	133,155	972	16,289		

Size of adjusted gross income	Interest		Unemployment compensation				Returns with taxable social security benefits	
	Number of returns	Amount	Total		Taxable compensation		Number of returns	Total benefits
			Number of returns	Amount	Number of returns	Amount		
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
All returns, total	60,978	150,660	7,369	13,103	4,716	8,306	3,093	
No adjusted gross income	574	3,029	*65	103	*9	—	*5	
\$1 under \$5,000	5,585	5,060	552	1,002	*52	100	*16	
\$5,000 under \$10,000	6,964	12,499	1,261	2,423	130	298	*21	
\$10,000 under \$15,000	6,434	13,630	976	1,733	376	338	—	
\$15,000 under \$20,000	6,332	14,701	897	1,768	656	1,091	*28	
\$20,000 under \$25,000	5,913	11,939	874	1,638	874	1,638	185	
\$25,000 under \$30,000	5,534	10,343	732	1,563	732	1,563	383	
\$30,000 under \$50,000	15,165	31,225	1,547	2,711	1,547	2,711	1,450	
\$50,000 under \$75,000	5,850	19,733	299	456	299	447	532	
\$75,000 under \$100,000	1,351	9,421	*23	*75	*23	*75	223	
\$100,000 or more	1,273	19,088	*18	*39	*18	*39	250	

Size of adjusted gross income	Taxable social security benefits	Statutory adjustments						Number of returns with alimony paid
		Total		IRA payments <sup>1</sup>		Two-earner deduction		
		Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
All returns, total	11,148	35,922	92,057	14,898	36,075	24,285	25,778	512
No adjusted gross income	*9	154	593	*49	116	*63	*22	*4
\$1 under \$5,000	*37	536	709	137	242	169	*35	*11
\$5,000 under \$10,000	85	1,430	2,521	369	593	637	767	*12
\$10,000 under \$15,000	—	2,271	3,144	644	1,154	1,280	451	*49
\$15,000 under \$20,000	*73	3,036	4,562	995	1,790	1,685	845	*27
\$20,000 under \$25,000	172	3,830	6,147	1,190	2,319	2,432	1,499	*15
\$25,000 under \$30,000	863	4,185	7,451	1,414	2,839	2,812	2,244	*51
\$30,000 under \$50,000	4,659	12,935	31,444	5,264	12,712	9,768	10,730	196
\$50,000 under \$75,000	2,409	5,378	1,9891	2,967	8,395	4,091	6,684	82
\$75,000 under \$100,000	1,324	1,171	7,955	996	3,203	791	1,492	*39
\$100,000 or more	1,517	996	7,641	873	2,712	557	1,019	*27

\*Estimate should be used with caution because of the small number of sample returns on which it is based.

<sup>1</sup> IRA — Individual Retirement Arrangement.

NOTE: Detail may not add to total because of rounding.

Table 5.—All Returns: Selected Items by Size of Adjusted Gross Income

[All figures are estimates based on samples—numbers of returns are in thousands, amounts are in millions of dollars]

Size of adjusted gross income	Adjusted gross income		Itemized deductions		Charitable contributions deduction <sup>1</sup>		Exemptions	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of exemptions	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
All returns, total	96,737	2,300,896	37,134	272,350	27,228	16,936	231,837	250,384
No adjusted gross income	1,167	- 15,502	227	2,408	109	*60	2,676	2,890
\$1 under \$5,000	14,395	37,885	314	1,142	2,475	581	21,212	22,909
\$5,000 under \$10,000	15,007	111,567	1,207	4,247	5,899	2,107	29,284	31,627
\$10,000 under \$15,000	12,909	160,658	1,970	6,750	5,832	2,566	28,101	30,349
\$15,000 under \$20,000	10,384	181,148	2,879	9,584	4,525	2,735	24,106	26,035
\$20,000 under \$30,000	16,035	395,927	7,923	32,422	5,254	3,458	42,575	45,981
\$30,000 under \$50,000	17,917	691,056	14,166	84,697	2,784	3,844	54,648	59,020
\$50,000 under \$100,000	7,625	484,730	7,178	84,276	335	1,414	24,732	26,711
\$100,000 or more	1,299	253,426	1,272	46,823	*13	170	4,502	4,862

Size of adjusted gross income	Income tax after credits		Alternative minimum tax		Total tax <sup>2</sup>		Income tax withheld	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
All returns, total	76,188	305,889	484	3,018	79,154	325,415	83,306	296,525
No adjusted gross income	253	514	*25	*13	419	664	537	820
\$1 under \$5,000	3,282	402	—	—	3,867	637	10,864	2,245
\$5,000 under \$10,000	11,475	4,580	—	—	12,062	5,253	11,950	8,235
\$10,000 under \$15,000	11,683	7,221	—	—	12,030	1,1471	11,101	14,481
\$15,000 under \$20,000	9,563	12,108	*10	*5	9,898	16,336	9,184	18,811
\$20,000 under \$30,000	14,685	36,055	*9	*2	15,317	42,197	14,802	48,100
\$30,000 under \$50,000	16,669	83,447	110	208	17,030	88,219	16,929	97,326
\$50,000 under \$100,000	7,145	77,581	177	908	7,250	82,166	6,939	73,118
\$100,000 or more	1,252	74,722	154	1,883	1,281	78,472	1,001	33,391

Size of adjusted gross income	Earned income credit <sup>3</sup>		Refund		Overpayment applied to 1987 estimated tax		Tax due at time of filing	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
All returns, total	5,637	1,974	70,686	63,640	3,677	4,724	19,364	43,381
No adjusted gross income	*67	*22	572	592	*6	*2	145	168
\$1 under \$5,000	1,820	618	10,911	2,790	146	*40	1,488	239
\$5,000 under \$10,000	3,144	1,261	11,352	5,391	577	148	2,460	776
\$10,000 under \$15,000	580	*47	10,123	5,162	505	248	2,151	1,057
\$15,000 under \$20,000	*15	*9	7,932	5,497	482	237	1,956	1,372
\$20,000 under \$30,000	*7	*7	12,188	11,768	650	423	3,155	2,861
\$30,000 under \$50,000	*5	*10	12,952	19,409	681	881	4,300	6,360
\$50,000 under \$100,000	—	—	4,360	10,985	472	1,742	2,862	10,107
\$100,000 or more	—	—	295	2,047	158	1,004	850	20,441

<sup>1</sup> Amount claimed by nonitemizers.<sup>2</sup> Total tax is the sum of income tax after credits, self-employment tax, alternative minimum tax, tax from recapture of investment credit, social security tax on tip income not reported to employer, and tax on an IRA. (Income tax after credits is computed without regard to the earned income credit.)<sup>3</sup> Includes returns with amounts used to reduce "total tax" to zero, and returns with refundable amounts (where the credit exceeded "total tax").

NOTE: Detail may not add to total because of rounding.

**Table 6.—Form 1040 Returns: Social Security Benefits, by Size of Adjusted Gross Income**

[All figures are estimates based on samples—numbers of returns are in thousands, amounts are in millions of dollars]

Size of adjusted gross income	Total	Gross benefits		Tax-exempt interest		Taxable benefits	
		Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Form 1040 returns, total .....	62,619	8,113	64,715	927	9,504	3,093	11,148
No adjusted gross income .....	789	98	699	*6	77	*5	*9
\$1 under \$5,000 .....	4,546	690	4,548	*10	*62	*16	*37
\$5,000 under \$10,000 .....	6,739	1,627	12,137	*24	236	*21	86
\$10,000 under \$15,000 .....	6,154	1,205	10,397	*16	*17	—	—
\$15,000 under \$20,000 .....	6,286	845	6,205	*50	142	*28	*73
\$20,000 under \$30,000 .....	12,445	1,153	8,394	185	1,310	567	1,035
\$30,000 under \$50,000 .....	16,766	1,474	11,694	274	1,667	1,450	4,659
\$50,000 under \$100,000 .....	7,594	765	7,485	238	3,024	755	3,733
\$100,000 or more .....	1,299	256	3,156	123	2,969	250	1,517

\* Estimate should be used with caution because of the small number of sample returns on which it is based.

NOTE: Detail may not add to total because of rounding.

**Table 7.—Joint Form 1040 and Form 1040A Returns: Number With and Without Deduction for Two-Earner Married Couple, by Type of Return and Size of Adjusted Gross Income**

[All figures are estimates based on samples—numbers of returns are in thousands, amounts are in millions of dollars]

Deduction for two-earner married couple, type of return	Total	Size of adjusted gross income							
		Under \$5,000 <sup>1</sup>	\$5,000 under \$10,000	\$10,000 under \$15,000	\$15,000 under \$20,000	\$20,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$100,000	\$100,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Joint Form 1040 and Form 1040A returns, total .....	44,742	1,945	3,270	4,080	4,129	9,138	14,231	6,804	1,145
Returns with deduction for two-earner married couple:									
Number .....	24,229	226	630	1,275	1,685	5,237	9,744	4,876	557
Amount .....	25,740	*45	765	449	845	3,738	10,712	8,168	1,019
Returns without deduction for two-earner married couple .....	20,513	1,720	2,640	2,805	2,444	3,900	4,487	1,928	588
Joint Form 1040 returns, total .....	38,219	1,352	2,332	2,695	3,011	7,534	13,376	6,773	1,145
Returns with deduction for two-earner married couple:									
Number .....	21,092	148	353	714	1,144	4,187	9,141	4,849	557
Amount .....	23,064	*36	99	270	512	2,917	10,090	8,120	1,019
Returns without deduction for two-earner married couple .....	17,127	1,204	1,979	1,982	1,867	3,347	4,236	1,924	588
Joint Form 1040A returns, total .....	6,523	593	938	1,385	1,118	1,604	855	*31	—
Returns with deduction for two-earner married couple:									
Number .....	3,137	78	277	562	541	1,050	603	*27	N/A
Amount .....	2,676	*9	666	179	332	821	621	*48	N/A
Returns without deduction for two-earner married couple .....	3,386	516	661	823	577	553	251	*5	N/A

N/A — Not applicable.

<sup>1</sup> Includes returns with no adjusted gross income.

\* Estimate should be used with caution because of the small number of sample returns on which it is based.

NOTE: Detail may not add to total because of rounding.

## Individual Income Tax Returns, 1986 Taxpayer Usage Study

**Table 8.—All Returns: Presence of Form W-2 Wage and Tax Statement, by Type of Return and Size of Adjusted Gross Income**

[All figures are estimates based on samples—number of returns are in thousands]

Number of returns with Form W-2, type of return	Total	Number of returns by size of adjusted gross income							
		Under \$5,000 <sup>1</sup>	\$5,000 under \$10,000	\$10,000 under \$15,000	\$15,000 under \$20,000	\$20,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$100,000	\$100,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
All returns, total	96,737	15,562	15,007	12,909	10,384	16,035	17,917	7,625	1,299
Forms W-2 attached, total	157,515	21,962	21,942	18,769	15,363	27,157	34,845	15,378	2,098
Number of returns with Form W-2 attached	82,202	12,159	11,661	10,668	8,783	14,422	16,602	6,918	989
One	38,125	6,256	5,786	6,079	5,110	7,211	5,659	1,678	345
Two or more for same taxpayer	21,156	5,624	5,231	3,378	2,092	2,519	1,642	551	120
Two or more for different taxpayers <sup>2</sup>	22,921	279	644	1,212	1,581	4,692	9,300	4,689	524
Form W-2 not attached	14,535	3,403	3,346	2,240	1,600	1,613	1,315	707	311
Form 1040 returns, total	62,619	5,336	6,739	6,154	6,286	12,445	16,766	7,594	1,299
Forms W-2 attached, total	98,194	4,248	6,686	7,537	8,711	20,995	32,617	15,302	2,098
Number of returns with Form W-2 attached	49,095	2,535	3,639	4,014	4,728	10,838	15,467	6,887	989
One	20,481	1,451	1,955	2,110	2,573	5,162	5,206	1,678	345
Two or more for same taxpayer	8,973	934	1,363	1,275	1,137	2,027	1,566	551	120
Two or more for different taxpayers <sup>2</sup>	19,641	150	321	628	1,018	3,648	8,695	4,658	524
Form W-2 not attached	13,524	2,800	3,100	2,141	1,558	1,607	1,300	707	311
Form 1040A returns, total	17,495	3,511	3,976	3,696	2,554	2,681	1,046	*31	N/A
Forms W-2 attached, total	30,555	5,617	7,055	6,378	4,327	4,996	2,107	76	N/A
Number of returns with Form W-2 attached	16,813	3,128	3,796	3,624	2,523	2,675	1,035	*31	N/A
One	8,911	1,641	1,885	2,124	1,553	1,338	371	—	N/A
Two or more for same taxpayer	4,622	1,358	1,588	916	406	293	*60	—	N/A
Two or more for different taxpayers <sup>2</sup>	3,280	130	323	583	564	1,044	605	*31	N/A
Form W-2 not attached	683	382	180	*73	*31	*6	*10	—	N/A
Form 1040EZ returns, total	16,623	6,716	4,292	3,058	1,544	909	105	N/A	N/A
Forms W-2 attached, total	28,766	12,097	8,201	4,854	2,325	1,167	122	N/A	N/A
Number of returns with Form W-2 attached	16,294	6,495	4,226	3,031	1,532	909	99	N/A	N/A
One	8,733	3,164	1,946	1,845	984	711	83	N/A	N/A
Two or more for different taxpayers <sup>2</sup>	7,561	3,331	2,280	1,186	549	198	*17	N/A	N/A
Form W-2 not attached	328	220	*65	*27	*11	—	*5	N/A	N/A

N/A — Not applicable.

\* Estimate should be used with caution because of small number of sample returns on which it is based.

<sup>1</sup> Includes returns with no adjusted gross income.<sup>2</sup> Even if each spouse on a joint return had two or more Forms W-2, the return was counted only once in the statistics for "two or more for different taxpayers."

NOTE: Detail may not add to total because of rounding.

**Table 9.—Form 1040 Returns: Number With Selected Forms and Schedules, by Size of Adjusted Gross Income**

[All figures are estimates based on samples—numbers of returns are in thousands]

Form or schedule	Total	Number of returns by size of adjusted gross income							
		Under \$5,000 <sup>1</sup>	\$5,000 under \$10,000	\$10,000 under \$15,000	\$15,000 under \$20,000	\$20,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$100,000	\$100,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Forms 1040, total	62,619	5,336	6,739	6,154	6,286	12,445	16,766	7,594	1,299
A Itemized Deductions	40,104	1,285	1,729	2,323	3,287	8,350	14,565	7,285	1,280
B Interest and Dividend Income	32,859	2,509	3,425	3,057	3,013	5,404	8,807	5,434	1,209
C Profit (or Loss) from									
Business or Profession	10,961	1,230	1,207	998	1,029	2,036	2,567	1,531	362
D Capital Gains and Losses	12,125	875	873	770	845	1,913	3,138	2,786	926
E Supplemental Income Schedule	12,021	842	1,019	860	950	1,978	3,075	2,402	894
F Farm Income and Expenses	2,443	491	253	188	224	433	554	251	*49
G Income Averaging	3,404	*12	*70	94	218	561	1,007	1,048	394
R/RP Credit for the Elderly	432	*59	219	78	*47	*20	*10	—	—
SE Computation of Social Security Self-Employment Tax	10,632	1,294	1,197	966	1,030	2,083	2,358	1,322	382
W Deduction for a Married Couple When Both Work	21,080	168	381	709	1,165	4,173	9,074	4,839	571
1116 Computation of Foreign Tax Credit	482	*6	*31	*29	*37	*47	*58	171	104
2106 Employee Business Expenses	6,443	88	334	306	563	1,398	2,203	1,367	183
2119 Sale or Exchange of Principal Residence	1,598	36	78	*58	125	185	587	450	78
2210/ Underpayment of Estimated Income Tax	4,238	129	278	349	353	756	1,043	929	399
2441 Credit for Child and Dependent Care Expenses	6,136	*10	202	354	512	1,456	2,499	999	103
2555 Foreign Earned Income	*63	*18	—	—	*16	*13	*10	*6	—
3468 Computation of Investment Credit	621	*26	*33	*52	*31	*44	138	187	110
3903 Moving Expense Adjustment	1,476	*28	154	97	151	359	430	233	*25
4136 Computation of Credit for Federal Tax on Gasoline, Special Fuels, and Lubricating Oil	716	179	97	*71	*72	116	114	*54	*13
4137 Computation of Social Security Tax on Unreported Tip Income	157	*14	*25	*44	*14	*43	*11	*4	—
4255 Recapture of Investment Credit	1,005	77	*52	*53	*53	166	204	260	140
4562 Depreciation	11,339	1,056	908	875	988	1,988	2,876	2,024	625
4684 Casualties and Thefts	181	*6	*11	*26	*11	*29	*59	*39	—
4797 Supplemental Schedule of Gains and Losses	2,836	281	199	172	198	370	619	669	330
4835 Farm Rental Income and Expenses	474	*53	79	*44	*41	102	95	*48	*12
4868 Application for Automatic Extension of Time to File	106	*10	*7	*11	*9	*15	*25	*14	*15
4952 Investment Interest Expense Deduction	536	*26	*8	*16	*28	*50	85	175	147
4972 Special 10-Year Averaging Methods	764	*15	*13	*67	*55	147	287	139	*41
5329 Return for Individual Retirement Arrangement Taxes	364	*6	*28	*17	*12	*51	118	118	*14
5695 Residential Energy Credit	116	*15	*15	*10	*18	*27	*13	*18	—
5884 Jobs Credits	*34	*4	—	*4	—	—	*11	*14	—
6249/ Windfall Profit Tax Credit	*52	*6	—	*6	*18	—	*23	—	—
6251 Alternative Minimum Tax Computation	3,910	103	81	*68	169	346	1,031	1,440	671
6252 Computation of Installment Sale Income	1,488	*64	117	132	168	224	347	304	133
8271 Investor Reporting of Tax Shelter Registration Number	729	*18	*13	*21	*35	*36	184	275	147
8275 Disclosure Statement Under IRC Section 6661									
8283 Noncash Charitable Contributions	1,273	*6	*26	*57	*51	102	321	489	221
8332 Release of Claim to Exemption for Child of Divorced or Separated Parents	112	*5	*4	*12	*21	*11	*33	*25	—

\* Estimate should be used with caution because of the small number of sample returns on which it is based.

<sup>1</sup> Includes returns with no adjusted gross income.

NOTE: Detail may not add to total because of rounding.

## Individual Income Tax Returns, 1986 Taxpayer Usage Study

**Table 10.—All Returns: Number With Dividends Before Exclusion or With Interest Income, by Type of Return and Size of Adjusted Gross Income**

[All figures are estimates based on samples—numbers of returns are in thousands]

Dividend and interest income, type of return	Total	Number of returns by size of adjusted gross income							
		Under \$5,000 <sup>1</sup>	\$5,000 under \$10,000	\$10,000 under \$15,000	\$15,000 under \$20,000	\$20,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$100,000	\$100,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
All returns, total	96,737	15,562	15,007	12,909	10,384	16,035	17,917	7,625	1,299
Returns with dividends before exclusion	18,863	1,315	1,651	1,364	1,525	2,985	5,203	3,848	972
Returns with interest income	60,978	6,161	6,964	6,434	6,332	11,447	15,165	7,201	1,273
Form 1040 returns, total	62,619	5,336	6,739	6,154	6,286	12,445	16,766	7,594	1,299
Returns with dividends before exclusion	18,102	1,130	1,501	1,306	1,462	2,766	5,124	3,842	972
Returns with interest income	49,691	3,472	4,784	4,315	4,555	9,658	14,461	7,174	1,273
Form 1040A returns, total	17,495	3,511	3,976	3,696	2,554	2,681	1,046	*31	N/A
Returns with dividends before exclusion	761	185	151	*58	*63	219	80	*5	N/A
Returns with interest income	5,921	987	922	1,041	988	1,320	636	*27	N/A
Form 1040EZ returns, total	16,623	6,716	4,292	3,058	1,544	909	105	N/A	N/A
Returns with interest income	5,366	1,702	1,259	1,079	790	469	*68	N/A	N/A

N/A — Not applicable.

\* Estimate should be used with caution because of the small number of sample returns on which it is based.

<sup>1</sup> Includes returns with no adjusted gross income.

NOTE: Detail may not add to total because of rounding.

**Table 11.—Form 1040 and Form 1040A Returns: Number With Unemployment Compensation, by Type of Return and Marital Status**

[All figures are estimates based on samples—numbers of returns are in thousands]

Unemployment compensation, type of return	Total	Number of returns by marital status				
		Returns of single persons	Joint returns of husbands and wives	Separate returns of husbands and wives	Returns of heads of households	Returns of surviving spouses
	(1)	(2)	(3)	(4)	(5)	(6)
Form 1040 and Form 1040A returns, total	80,114	24,798	44,742	828	9,608	138
Unemployment compensation, total	7,369	1,835	4,736	*36	746	*16
Taxable and nontaxable amounts reported	880	276	497	*4	102	—
Only nontaxable amounts reported	2,653	932	1,272	*12	437	—
Only taxable amounts reported	3,836	627	2,967	*20	207	*16
Form 1040 returns, total	62,619	19,106	38,219	562	4,594	138
Unemployment compensation, total	4,978	919	3,774	*20	250	*16
Taxable and nontaxable amounts reported	635	137	416	*4	77	—
Only nontaxable amounts reported	1,216	367	748	*6	95	—
Only taxable amounts reported	3,127	414	2,610	*9	78	*16
Form 1040A returns, total	17,495	5,692	6,523	266	5,014	N/A
Unemployment compensation, total	2,391	917	962	*17	496	N/A
Taxable and nontaxable amounts reported	245	139	81	—	*25	N/A
Only nontaxable amounts reported	1,436	565	524	*6	342	N/A
Only taxable amounts reported	709	213	357	*11	129	N/A

N/A — Not applicable.

\* Estimate should be used with caution because of the small number of sample returns on which it is based.

NOTE: Detail may not add to total because of rounding.

**Table 12.—Form 1040 Returns: Number With and Without Itemized Deductions, by Size of Adjusted Gross Income**

[All figures are estimates based on samples—numbers of returns are in thousands and amounts are in millions of dollars]

Number by size of itemized deductions	Total	Number of returns by size of adjusted gross income							
		Under \$5,000 <sup>1</sup>	\$5,000 under \$10,000	\$10,000 under \$15,000	\$15,000 under \$20,000	\$20,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$100,000	\$100,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Form 1040 returns, total .....	62,619	5,336	6,739	6,154	6,286	12,445	16,766	7,594	1,299
With itemized deductions:									
Number of returns .....	37,134	541	1,207	1,970	2,879	7,923	14,166	7,178	1,272
Total amount .....	272,350	3,551	4,247	6,750	9,584	32,422	84,697	84,276	46,820
Number of returns by size of itemized deductions:									
\$1 under \$500 .....	1,271	*35	143	177	270	432	205	*10	—
\$500 under \$1,000 .....	1,915	*60	163	233	316	656	426	*55	*5
\$1,000 under \$1,500 .....	2,266	83	205	212	352	741	607	*65	—
\$1,500 under \$2,000 .....	2,276	*33	105	229	277	659	879	89	*5
\$2,000 under \$3,500 .....	6,329	88	205	463	688	1,859	2,564	456	*6
\$3,500 under \$5,000 .....	5,570	*52	141	318	422	1,382	2,670	558	*27
\$5,000 under \$7,500 .....	6,068	*51	125	149	288	1,194	2,934	1,297	*31
\$7,500 under \$10,000 .....	3,704	*47	*35	*74	114	542	1,745	1,084	*62
\$10,000 under \$15,000 .....	4,158	*33	*33	*62	110	316	1,566	1,854	184
\$15,000 under \$25,000 .....	2,372	*37	*43	*48	*40	104	473	1,281	346
\$25,000 under \$50,000 .....	905	*11	*10	*6	—	*32	92	382	372
\$50,000 or more .....	301	*12	—	—	—	*5	*4	*46	233
Without itemized deductions .....	25,485	4,795	5,532	4,185	3,407	4,522	2,600	416	*27

\* Estimate should be used with caution because of the small number of sample returns on which it is based.

<sup>1</sup> Includes returns with no adjusted gross income.

NOTE: Detail may not add to total because of rounding.

**Table 13.—Form 1040 and Form 1040A Returns: Number With Payments to an Individual Retirement Arrangement (IRA), by Type of Return and Size of Adjusted Gross Income**

[All figures are estimates based on samples—numbers of returns are in thousands]

Payments to an IRA, type of return	Total	Number of returns by size of adjusted gross income							
		Under \$5,000 <sup>1</sup>	\$5,000 under \$10,000	\$10,000 under \$15,000	\$15,000 under \$20,000	\$20,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$100,000	\$100,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Form 1040 and Form 1040A returns, total .....	80,114	8,846	10,715	9,851	8,840	15,126	17,812	7,625	1,299
Returns with payments to an IRA, total .....	14,898	186	369	644	995	2,604	5,264	3,963	873
Size of payment:									
\$1 under \$2,000 .....	2,582	*49	144	184	304	709	892	291	*10
\$2,000 .....	5,586	107	177	367	503	1,262	1,958	1,065	148
\$2,001 under \$2,250 .....	99	—	*6	*6	—	—	*37	*51	—
\$2,250 .....	1,962	*11	*23	*53	99	231	718	585	242
\$2,251 under \$4,000 .....	542	*5	—	*5	*26	*44	281	155	*25
\$4,000 .....	4,076	*14	*5	*29	*64	358	1,362	1,796	449
More than \$4,000 .....	*50	—	*13	—	—	—	*16	*21	—
Returns without payments to an IRA .....	65,216	8,660	10,347	9,206	7,845	12,522	12,548	3,662	426
Form 1040 returns, total .....	62,619	5,336	6,739	6,154	6,286	12,445	16,766	7,594	1,299
Returns with payments to an IRA, total .....	13,937	135	310	499	812	2,259	5,101	3,947	873
Size of payment:									
\$1 under \$2,000 .....	2,252	*39	114	130	239	586	843	291	*10
\$2,000 .....	5,110	*66	154	281	408	1,085	1,909	1,059	148
\$2,001 under \$2,250 .....	99	—	*6	*6	—	—	*37	*51	—
\$2,250 .....	1,894	*11	*23	*48	76	214	696	585	242
\$2,251 under \$4,000 .....	521	*5	—	*5	*26	*44	266	150	*25
\$4,000 .....	4,015	*14	*5	*29	*64	331	1,334	1,790	449
More than \$4,000 .....	*44	—	*7	—	—	—	*16	*21	—
Returns without payments to an IRA .....	48,682	5,200	6,429	5,655	5,474	10,186	11,665	3,647	426
Form 1040A returns, total .....	17,495	3,511	3,976	3,696	2,554	2,681	1,046	*31	N/A
Returns with payments to an IRA, total .....	961	*51	*59	145	183	344	163	*16	N/A
Size of payment:									
\$1 under \$2,000 .....	330	*10	*30	*53	*65	123	*48	—	N/A
\$2,000 .....	476	*41	*23	86	95	177	*48	*5	N/A
\$2,001 under \$2,250 .....	—	—	—	—	—	—	—	—	N/A
\$2,250 .....	68	—	—	5	23	17	22	—	N/A
\$2,251 under \$4,000 .....	*21	—	—	—	—	—	*15	*5	N/A
\$4,000 .....	*61	—	—	—	—	*27	*28	*5	N/A
More than \$4,000 .....	*6	—	*6	—	—	—	—	—	N/A
Returns without payments to an IRA .....	16,534	3,460	3,917	3,551	2,371	2,336	883	*15	N/A

N/A — Not applicable.

\* Estimate should be used with caution because of the small number of sample returns on which it is based.

<sup>1</sup> Includes returns with no adjusted gross income.

NOTE: Detail may not add to total because of rounding.